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Investment Idea

Mah Sing Group Bhd

Demand remains Robust

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BUY

Price: RM1.03
Target price: RM1.89

Mah Sing Group Bhd (MAHSING: 8583) has launched over RM1.6bn in value up to August 2025 and is planning to launch approximately another RM1.85bn for the remaining of the year. Up to 6MFY25, new sales has been encouraging and is well on track to meet its RM2.65bn target for 2025. Backed by strong new sales and unbilled sales of RM2.91bn, we project MAHSING to post net earnings of RM262.8m and RM291.6n, for FY25 and FY26. BUY with a target price of RM1.89, based on Sum of Parts valuations.

MAHSING continues to expand its landbank with the acquisition of the Corus Hotel site, which carries an estimated GDV of RM1.28bn. Located just five minutes' walk from the Petronas Twin Towers and Suria KLCC, the site is earmarked for a premium serviced apartment project with starting price at around RM898,000 per unit. We believe it will be well-received given its strategic city-centre location and competitive pricing.

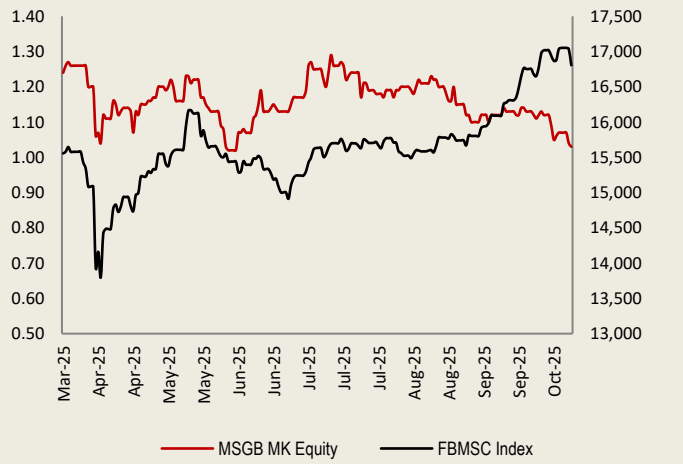
The company has over RM3.4bn worth of new property launches planned for 2025 across key regions. These upcoming launches are strategically located in key urban and growth corridors. Major developments include M Grand Minori, Johor Bahru with an estimated GDV of RM1.5bn. In October 2025, the company has unveiled M Zenni, Penang comprising of 33-storey serviced apartments with starting price from RM480k and a combined GDV of RM309m. Additionally, Mah Sing will be launching a new phase of M Tiara in Johor, a development with a total GDV of RM1.45bn.

Meanwhile, within the data centre segment, the group continues to actively promote its Southville City (500MW) and Meridin East, Johor (300MW) land parcels, with negotiations currently underway for potential buyers. The group remains open to various business models, including build-to-lease and outright land sales, to better cater to the diverse needs of hyperscale operators and capture rising demand in the sector.

MAHSING has maintained a dividend payout of at least 40% over the past 19 years. For FY25 and FY26, we expect the company to pay dividend of 4.6sen and 5.1sen based on a 45% payout ratio, translating into yields of 4.5% and 5.0% respectively. MAHSING's financial leverage remains healthy, with a net gearing ratio of 0.23x as of 1HFY25. Furthermore, with a remaining GDV of more than RM27.8bn, we believe MAHSING earnings visibility is solid over the next 20 years.

Technically Speaking

Resistance level	RM1.09
Support level	RM1.02



KLCI	1,611.46
YTD FBM KLCI change	-1.9%
YTD FBM SC Index change	-6.4%
YTD stock price change	-42.8%

Stock Information

Market Cap (RMm)	2,636.9
Issued Shares (m)	2,560.1
52-week range (H)	1.92
52-week range (L)	1.01
Shariah Compliant	Yes

Major Shareholders

Mayang Teratai SB	25.5%
Amanah Saham Nasional	11.5%
Mayang Teratai Ltd	7.0%

Summary Earnings Table

FY Dec (RM'm)	2023	2024	2025F	2026F
Revenue	2,603.2	2,520.3	2,801.3	2,972.9
EBIT	379.2	391.6	434.4	480.8
Pretax profit	327.4	337.1	373.7	416.4
Net profit	215.3	240.7	262.8	291.6
Core net profit	**215.3**	**240.7**	**262.8**	**291.6**
Consensus	-	-	266.3	295.3
Core EPS (sen)	8.4	9.4	10.3	11.4
EPS growth (%)	19.6%	11.8%	9.2%	10.9%
DPS (sen)	4.0	4.5	4.6	5.1
PER (x)	12.2	11.0	10.0	9.0
BV/Share (RM)	1.45	1.54	1.59	1.66
ROE (%)	5.8%	6.1%	6.6%	7.0%
Div. Yield (%)	3.9%	4.4%	4.5%	5.0%

Sources: Company, Rakuten Trade Research

TOTAL NPV of ongoing projects @ 10% discount rate	1,523.8
Unbilled Sales	355.3
NTA @ 0.6x P/BV	2,359.5
Data Centre 10x EBITDA (20% stake)	600.0
Total SOP	**4,838.6**
Share base (m)	2,560.1
SOP per share (RM)	**1.89**

COMPANY	Definition
Buy	The stock return is expected to exceed the KLCI benchmark by more than 10% over the next 6-12 months.
Trading Buy	Short-term positive development on the stock that could lead to a re-rating in the share price and translate into an absolute return of 10% over the next 3-6 months. Trading Buy is generally for investors who are willing to take on higher risks.
Take profit	The stock return previously recommended has gained by >10%
Hold	The stock return is expected to be in line with the KLCI benchmark (+/- 5%) over the next 6-12 months.
Sell	The stock return is expected to underperform the KLCI benchmark by more than 10% over the next 6-12 months.
SECTOR	
Overweight	Industry expected to outperform the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.
Neutral	Industry expected to perform in-line with the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.
Underweight	Industry expected to underperform the KLCI benchmark, weighted by market capitalization, over the next 6-12 months.

Scoring model:

The in-house scoring model is derived from Rakuten Trade Research valuation matrix based on earnings growth, earnings visibility, business model, valuation, balance sheet, technical analysis, and shareholder value creation. Each parameter is given a specific weighting.

All buy calls are based on the research team's judgement. Investing is risky and trading is at your own risk. We advise investors to:

- read and understand the contents of the disclosure document or any relevant agreement or contract before investing;
- understand the risks involved in relation to the product or service;
- compare and consider the fees, charges and costs involved; and
- make your own risk assessment and seek professional advice, where necessary.

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Published:

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